

FISCAL NOTE

SB 2137 - HB 2119

February 1, 2002

SUMMARY OF BILL: Adds a new section to the law that would exempt gifts to the Baccalaureate Education System Trust from Tennessee gift tax if such a gift is exempt from federal gift tax. For information purposes, the federal gift tax exemption is currently \$50,000 per individual.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Not Significant

Increase State Expenditures - Not Significant

Estimate assumes:

- currently there is no maximum dollar limit for a contributor to the BEST program and thus no Tennessee gift tax is due for any amount contributed to the BEST Program. Imposing a limit consistent with the maximum federal gift tax exemption limit would require contributors to pay Tennessee gift tax on amounts in excess of \$50,000 per individual. However, the increase in state revenues is estimated to be not significant.
- a not significant increase in state expenditures based on the cost to revise the gift tax forms.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

SB 2137 - HB 2119